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U.S. Interstate Commerce Commission

Tentative valuation by Interstate Commerce...

Philadelphia, Pa.

[1916]

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TENTATIVE VALUATION

BY

INTERSTATE COMMERCE COMMISSION

OCTOBER 19, 1916

ATLANTA, BIRMINGHAM & ATLANTIC RAILROAD COMPANY

PRINTED BY
GENERAL SECRETARY
PRESIDENTS' CONFERENCE COMMITTEE
937 COMMERCIAL TRUST BUILDING
PHILADELPHIA, PA.

INTERSTATE COMMERCE COMMISSION.

WASHINGTON.

October 19, 1916.

HON. THOMAS WATT GREGORY,
Attorney General,
Department of Justice,
Washington, D. C.

HON. M. E. HARRIS,
Governor of the State of Georgia,
Atlanta, Ga.

RAILROAD COMMISSION OF GEORGIA,
Atlanta, Ga.

HON. CHARLES HENDERSON,
Governor of the State of Alabama,
Montgomery, Ala.

PUBLIC SERVICE COMMISSION OF ALABAMA,
Montgomery, Ala.

ATLANTA, BIRMINGHAM & ATLANTIC RAILROAD COMPANY,
Atlanta, Ga.

E. T. LAMB, Receiver for the
Atlanta, Birmingham & Atlantic Railroad Company,
Atlanta, Ga.

You are hereby notified that the Interstate Commerce Commission has completed, under the Act of March 1, 1913, a tentative valuation of the Atlanta, Birmingham & Atlantic Railroad Company, and that the valuation placed upon the property of that carrier as of June 30, 1914, is as follows:

COMMON CARRIER PROPERTY.

	Cost of Reproduction of Road and Equipment, excluding Lands		Present Value of Lands
	New	Less Depreciation	
Owned by A., B. & A. R. R. Co.	$22,716,886	$18,071,950	$1,091,886
Leased to others:			
Western Union Telegraph Co.	91,315	57,223	
Ocilla Southern R. R. Co.	79,439	54,143	8,175
Southern Ry. Co.			5,493
Total leased to others	$170,754	$111,366	$13,668
Used by A., B. & A. R. R. Co. owned	$22,546,132	$17,960,584	$1,078,218
Used, leased from others:			
Southern Ry. Co.			3,133
Central of Georgia Ry. Co.			249
Birmingham Southern Ry. Co.			18,914
Georgia Terminal Co.	903,270	830,316	587,584
Alabama Terminal R. R. Co.	705,596	617,910	603,315
Total leased from others	$1,608,866	$1,448,226	$1,213,195
Total used by A., B. & A. R. R. Co.	$24,154,998	$19,408,810	$2,291,413

VALUES ALLOCATED TO STATES.

	Cost of Reproduction of Road, excluding Lands		Present Value of Lands
	New	Less Depreciation	
STATE OF GEORGIA.			
Owned by A., B. & A. R. R. Co.	$11,623,573	$9,448,718	$968,049
Leased to others:			
Western Union Telegraph Co.	63,697	40,201	
*Ocilla Southern R. R. Co.	79,439	54,143	8,175
Southern Ry. Co.			5,493
Total leased to others	$143,136	$94,344	$13,668
Used by A., B. & A. R. R. Co., owned	$11,480,437	$9,354,374	$954,381
Used, leased from others:			
Southern Ry. Co.			3,133
Central of Georgia Ry. Co.			249
Georgia Terminal Co.	903,270	830,316	587,584
Total leased from others	$903,270	$830,316	$590,966
Total used by A., B. & A. R. R. Co.	$12,383,707	$10,184,690	$1,545,347
STATE OF ALABAMA.			
Owned by A., B. & A. R. R. Co.	$6,174,903	$5,594,472	$123,837
Leased to Western U. T. Co.	27,618	17,022	
Used by A., B. & A. R. R. Co., owned	$6,147,285	$5,577,450	$123,837
Used, leased from others:			
Birmingham SouthernRy.Co.			18,914
Alabama Terminal R. R. Co.	705,596	617,910	603,315
Total leased from others	$705,596	$617,910	$622,229
Total used by A., B. & A. R. R. Co.	$6,852,881	$6,195,360	$746,066

* Includes equipment.

VALUES NOT ALLOCATED TO STATES.

	Cost of Reproduction	
	New	Less Depreciation
Owned by A., B. & A. R. R. Co. and used by it:		
Furniture in General Offices, Account No. 16	$29,641	$15,008
Roadway Machines, Account No. 37	37,541	23,136
Shop Machinery, Account No. 44	1,330	907
Equipment, Accounts Nos. 51 to 58	4,849,898	2,989,709
Total not allocated to States	$4,918,410	$3,028,760

Summary sheets are attached and made a part hereof, showing the distribution of the above amounts by primary accounts.

NON-CARRIER LANDS.

	Present Value, including Value of Improvements thereon.
State of Georgia	$141,782
State of Alabama	3,421
Total	$145,203

NON-CARRIER PROPERTY OTHER THAN LANDS.

The company owns stock as follows:	Par Value.
Atlantic Compress Company	$5,000
Alabama Terminal Railroad Co.	3,000,000
Georgia Terminal Co.	1,500,000

Miscellaneous physical property:	Book Value.
Rails and other track material leased to others	$42,632.02
Less rails and other track material leased from others	6,574.00
Net	$36,058.02

AIDS, GIFTS, GRANTS OF RIGHT OF WAY, AND DONATIONS.

	State of Georgia		State of Alabama		Total	
	Value at Time Acquired	Present Value	Value at Time Acquired	Present Value	Value at Time Acquired	Present Value
Carrier lands	$36,826	$197,916	$9,334	$28,164	$46,160	$226,080
Non-carrier lands	1,021	21,795			1,021	21,795
Total	$37,847	$219,711	$9,334	$28,164	$47,181	$247,875

In addition to the above, certain counties and municipalities donated sums of money for the purchase of right of way as shown below; the deeds for such lands were made direct to the company.

State of Georgia	$73,000.25
State of Alabama	12,000.00

OTHER VALUES AND ELEMENTS OF VALUE.

No other values or elements of value were found to exist.

ORIGINAL COST.

Original cost of property could not be found.

The tentative report is served as a part of this notice.

The detailed engineering, accounting and land reports have already been furnished to the Atlanta, Birmingham & Atlantic Railroad Company, the Railroad Commission of Georgia, and the Public Service Commission of Alabama, and are on file in the office of the Commission in Washington, subject to examination by any interested party.

You are required to file with the Commission, at its office in Washington, within thirty days from the 1st day of November, 1916, any protest which you may desire to make to said valuation or any part thereof. You will file in connection with such protest a specification setting forth in detail the particular things against which said protest is directed.

By the Commission:

Secretary.

ATLANTA, BIRMINGHAM & ATLANTIC RAILROAD COMPANY.

SUMMARY SHEET.

Road Wholly Owned and Used.

R & E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$589,503	$589,503
3	Grading	5,263,885	5,254,891
5	Tunnels and subways	46,856	43,575
6	Bridges, trestles and culverts	2,370,728	1,980,705
8	Ties	999,281	508,347
9	Rails	2,717,804	2,400,600
10	Other track material	539,920	372,990
11	Ballast	381,770	278,343
12	Track-laying and surfacing	716,765	549,166
13	Right-of-way fences	11,254	5,929
15	Crossings and signs	173,975	125,529
16	Station and office buildings	635,614	470,155
17	Roadway buildings	338,227	239,282
18	Water stations	134,139	87,949
19	Fuel stations	58,413	29,497
20	Shops and engine houses	244,343	169,248
23	Wharves and docks	678,378	461,616
26	Telegraph and telephone lines	286	200
27	Signals and interlockers	7,050	4,825
29	Power plant buildings	17,245	13,795
31	Power transmission systems	2,715	2,243
32	Power distribution systems	8,460	5,715
33	Power line poles and fixtures	410	260
35	Miscellaneous structures	7,145	4,595
37	Roadway machines	36,751	22,504
38	Roadway small tools	9,276	4,636
44	Shop machinery	204,535	143,641
45	Power plant machinery	27,001	21,531
	Total, 1 to 47, inclusive	$16,221,729	$13,791,270
	II. EQUIPMENT.		
51	Steam locomotives	$1,263,647	$942,793
53	Freight-train cars	2,895,376	1,570,641
54	Passenger-train cars	399,780	264,357
57	Work equipment	131,621	84,339
	Total, 51 to 58, inclusive	$4,690,424	$2,862,130
	III. GENERAL EXPENDITURES.		
71	Organization expenses	20,912	16,729
72	General officers and clerks	125,473	100,378
73	Law	62,736	50,190
74	Stationery and printing	20,912	16,730
75	Taxes	104,561	83,649
76	Interest during construction	1,215,737	972,590
77	Other expenditures—General	83,648	66,918
	Total, 71 to 77, inclusive	$1,633,979	$1,307,184
	Grand total, 1 to 77, inclusive	$22,546,132	$17,960,584

ATLANTA, BIRMINGHAM & ATLANTIC RAILROAD COMPANY.

SUMMARY SHEET.

Property Owned and Leased to Others.

R & E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	Leased to Ocilla Southern Railroad Company, located in the State of Georgia.		
	I. ROAD.		
1	Engineering	$1,640	$1,640
3	Grading	10,422	10,422
6	Bridges, trestles and culverts	5,807	2,837
8	Ties	12,534	5,677
9	Rails	20,358	17,002
10	Other track material	3,216	2,026
12	Track-laying and surfacing	7,967	5,418
13	Right-of-way fences	430	229
15	Crossings and signs	182	124
16	Station and office buildings	4,625	3,553
19	Fuel stations	50	18
	Total, 1 to 47, inclusive	$67,231	$48,946
	II. EQUIPMENT.		
51	Steam locomotives	$7,218	$1,804
	Total, 51 to 58, inclusive	$7,218	$1,804
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$74	$50
72	General officers and clerks	447	304
73	Law	223	152
74	Stationery and printing	74	50
75	Taxes	372	253
76	Interest during construction	3,502	2,381
77	Other expenditures—General	298	203
	Total, 71 to 77, inclusive	$4,990	$3,393
	Grand total, 1 to 77, inclusive	$79,439	$54,143
	Leased to Western Union Telegraph Company.		
	STATE OF ALABAMA.		
26	Telegraph and telephone lines	$27,618	$17,022
	STATE OF GEORGIA.		
26	Telegraph and telephone lines	63,697	40,201
	Total	$91,315	$57,223

GEORGIA TERMINAL COMPANY.

LOCATED IN GEORGIA.

SUMMARY SHEET.

Property Owned and Leased to Atlanta, Birmingham & Atlantic Railroad Company.

R.&E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$39,236	$39,236
3	Grading	365,734	363,185
6	Bridges, trestles and culverts	230,763	210,895
8	Ties	24,311	14,282
9	Rails	50,369	47,554
10	Other track material	20,495	15,376
11	Ballast	13,166	7,015
12	Track-laying and surfacing	14,304	11,157
13	Right-of-way fences	215	107
15	Crossings and signs	22,538	21,322
16	Station and office buildings	29,687	18,655
20	Shops and enginehouses	7,711	4,265
26	Telegraph and telephone lines	488	312
27	Signals and interlockers	2,351	2,163
32	Power distribution systems	166	97
44	Shop machinery	2,429	1,733
	Total	$823,963	$757,354
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$824	$758
72	General officers and clerks	4,944	4,549
73	Law	2,472	2,274
74	Stationery and printing	824	758
75	Taxes	4,120	3,790
76	Interest during construction	62,827	57,801
77	Other expenditures—General	3,296	3,032
	Total	$79,307	$72,962
	Grand total	$903,270	$830,316

ALABAMA TERMINAL RAILROAD CO.

LOCATED IN ALABAMA.

SUMMARY SHEET.

Property Owned and Leased to Atlanta, Birmingham & Atlantic Railroad Company.

R.&E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$30,297	$30,297
3	Grading	147,353	147,032
6	Bridges, trestles and culverts	174,612	163,153
8	Ties	43,891	25,208
9	Rails	83,068	77,516
10	Other track material	29,977	23,040
11	Ballast	22,767	16,786
12	Track-laying and surfacing	38,335	30,431
13	Right-of-way fences	4,546	2,322
15	Crossings and signs	4,194	2,700
16	Station and office buildings	29,470	22,048
17	Roadway buildings	18,915	10,879
18	Water stations	3,574	2,495
20	Shops and enginehouses	2,973	1,596
26	Telegraph and telephone lines	29	21
44	Shop machinery	2,245	1,358
	Total	$636,246	$556,882
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$636	$560
72	General officers and clerks	3,817	3,359
73	Law	1,909	1,680
74	Stationery and printing	636	559
75	Taxes	3,181	2,799
76	Interest during construction	56,626	49,831
77	Other expenditures—General	2,545	2,240
	Total	$69,350	$61,028
	Grand total	$705,596	$617,910

ATLANTA, BIRMINGHAM & ATLANTIC RAILROAD COMPANY.

SUMMARY SHEET.

Road Wholly Owned and Used.

STATE OF GEORGIA.

R. & E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$376,316	$376,316
3	Grading	2,656,354	2,648,843
6	Bridges, trestles and culverts	1,185,113	912,388
8	Ties	784,975	388,664
9	Rails	2,096,231	1,844,294
10	Other track material	410,373	281,023
11	Ballast	269,757	194,312
12	Track-laying and surfacing	538,814	408,719
13	Right-of-way fences	9,509	4,960
15	Crossings and signs	132,722	98,012
16	Station and office buildings	525,258	391,350
17	Roadway buildings	271,599	190,310
18	Water stations	105,812	68,420
19	Fuel stations	51,455	24,626
20	Shops and enginehouses	240,083	166,815
23	Wharves and docks	678,378	461,616
26	Telegraph and telephone lines	286	200
27	Signals and interlockers	6,456	4,445
29	Power plant buildings	17,245	13,795
31	Power transmission systems	2,715	2,243
32	Power distribution systems	8,460	5,715
33	Power line poles and fixtures	410	260
35	Miscellaneous structures	7,145	4,595
36	Roadway small tools	7,861	3,929
44	Shop machinery	201,242	141,899
45	Power plant machinery	27,001	21,531
	Total, 1 to 47, inclusive	$10,611,570	$8,659,280
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$10,612	$8,490
72	General officers and clerks	63,669	50,935
73	Law	31,835	25,468
74	Stationery and printing	10,611	8,489
75	Taxes	53,058	42,446
76	Interest during construction	656,636	525,309
77	Other expenditures—General	42,446	33,957
	Total, 71 to 77, inclusive	$868,867	$695,094
	Grand total, 1 to 77, inc.	$11,480,437	$9,354,374

ATLANTA, BIRMINGHAM & ATLANTIC RAILROAD COMPANY.

SUMMARY SHEET.

Road Wholly Owned and Used.

STATE OF ALABAMA.

R. & E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$213,187	$213,187
3	Grading	2,607,531	2,606,048
5	Tunnels and subways	46,856	43,575
6	Bridges, trestles and culverts	1,185,615	1,068,317
8	Ties	214,306	119,683
9	Rails	621,573	556,306
10	Other track material	129,547	91,967
11	Ballast	112,013	84,031
12	Track-laying and surfacing	177,951	140,447
13	Right-of-way fences	1,745	969
15	Crossings and signs	41,253	27,517
16	Station and office buildings	81,338	64,295
17	Roadway buildings	66,628	48,972
18	Water stations	28,327	19,529
19	Fuel stations	6,958	4,871
20	Shops and enginehouses	4,260	2,433
27	Signals and interlockers	594	380
38	Roadway small tools	1,415	707
44	Shop machinery	1,991	858
	Total, 1 to 47, inclusive	$5,543,088	$5,094,092
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$5,543	$4,435
72	General officers and clerks	33,259	26,607
73	Law	16,629	13,303
74	Stationery and printing	5,543	4,434
75	Taxes	27,716	22,173
76	Interest during construction	493,335	394,668
77	Other expenditures—General	22,172	17,738
	Total, 71 to 77, inclusive	$604,197	$483,358
	Grand total, 1 to 77, inclusive	$6,147,285	$5,577,450

ATLANTA, BIRMINGHAM & ATLANTIC RAILROAD COMPANY.

SUMMARY SHEET.

Property Wholly Owned and Used Not Allocated to States.

R.&E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
16	Station and office buildings	$29,018	$14,510
37	Roadway machines	36,751	22,504
44	Shop machinery	1,302	884
	Total, 1 to 47, inclusive	$67,071	$37,898
	II. EQUIPMENT.		
51	Steam locomotives	$1,263,647	$942,793
53	Freight-train cars	2,895,376	1,570,641
54	Passenger-train cars	399,780	264,357
57	Work equipment	131,621	84,339
	Total, 51 to 58, inclusive	$4,690,424	$2,862,130
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$4,757	$3,805
72	General officers and clerks	28,545	22,836
73	Law	14,272	11,418
74	Stationery and printing	4,758	3,806
75	Taxes	23,787	19,030
76	Interest during construction	65,766	52,613
77	Other expenditures—General	19,030	15,224
	Total, 71 to 77, inclusive	$160,915	$128,732
	Grand total, 1 to 77, inclusive	$4,918,410	$3,028,760

ALABAMA TERMINAL COMPANY.

LOCATED IN ALABAMA.

SUMMARY SHEET.

Property Owned and Leased to Woodward Iron Company. (Not a Common Carrier.)

R.&E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$33,852	$33,852
3	Grading	447,042	447,039
6	Bridges, trestles and culverts	75,062	70,480
8	Ties	30,238	16,907
9	Rails	67,286	63,435
10	Other track material	18,377	14,522
11	Ballast	12,190	8,991
12	Track-laying and surfacing	22,403	18,146
13	Right-of-way fences	99	50
15	Crossings and signs	1,856	962
26	Telegraph and telephone lines	2,496	1,503
	Total	$710,901	$675,887
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$711	$675
72	General officers and clerks	4,265	4,052
73	Law	2,133	2,026
74	Stationery and printing	711	675
75	Taxes	3,554	3,376
76	Interest during construction	63,270	60,107
77	Other expenditures—General	2,844	2,703
	Total	$77,488	$73,614
	Grand total	$788,389	$749,501

SUMMARY REPORT.

ATLANTA, BIRMINGHAM & ATLANTIC RAILROAD COMPANY

AND ITS

RELATED COMPANIES

AS OF

JUNE 30, 1914.

PREFACE.

Of the companies comprising the Atlanta, Birmingham & Atlantic Railroad Company little can be said. For five of such companies no records whatever could be found; and those records that pertain to the other three companies were not susceptible of complete analysis. This report upon the Atlanta, Birmingham & Atlantic Railroad Company therefore treats of such companies only in so far as they have a direct bearing upon its affairs.

In the accounts of the Atlanta, Birmingham & Atlantic Railroad Company, the accounting distinction between capital and maintenance was not strictly observed; freight charges on construction material transported over its own lines were not accurately recorded; and equipment was retired or changed from one class to another without adjusting the record to correspond. These conditions, together with the fact that no records exist of the actual cost of the property purchased, make it impossible to state the original cost to date.

INTRODUCTION.

The Atlanta, Birmingham & Atlantic Railroad Company, hereinafter styled the Atlanta Company, was the outcome of plans of certain Atlanta and Boston capitalists to establish a line of railway from Brunswick, Ga., to Atlanta, Ga., and Birmingham, Ala.; a line of steamers between Brunswick and New York and Boston; and to build terminals at Atlanta and Birmingham. The project involved the acquisition of certain existing railway properties and the building of additional lines, and for the latter purpose the Atlantic & Birmingham Construction Company, hereinafter styled the Construction Company, was

organized and incorporated by the same interests that controlled the Atlanta Company.

The plan was practically carried to completion except the steamship line was never operated. Some ships were purchased by the Construction Company but later were disposed of. The terminals were built under the corporate names, Georgia Terminal Company and Alabama Terminal Railroad Company, and their capital stock passed into the possession of the Atlanta Company.

January 1, 1909, the property of the Atlanta Company, and the following month those of the terminal companies, were placed in the hands of a receiver and have so continued to the date of valuation.

A general view of the salient facts is herein presented. The supporting details and explanatory text are contained in the following annexed exhibits:

Exhibit A, Accounting Report.
" B-1, Detailed Engineering Report.
" B-2, Text to Engineering Report.
" C, Land Report.

GENERAL DESCRIPTION OF THE PROPERTY.

The Atlanta Company is a single track, standard gauge railroad extending from Brunswick, Ga., to Reeder's Gap, Ala., about 444 miles; with branches in the State of Georgia from Manchester to Atlanta—about 75 miles; from Fitzgerald to Thomasville—about 80 miles; from Sessoms to Waycross—about 25 miles; and from Ocilla to Irwinville—about 10 miles; a total of about 634 miles.

That portion of the road lying east of Montezuma, approximately 312 miles, was acquired by purchase. Its station and roadway buildings are of low grade and have been poorly maintained except at several points where they have been replaced by the Atlanta Company. Between Brunswick and Montezuma—about 197 miles—the main track has been relaid with 80-pound rail and the roadbed has been generally improved. Bridges are, for the most part, of timber construction. While the roadbed between Waycross and Sessoms—about 25 miles, and between Thomasville and Fitzgerald—about 80 miles, has been improved, the ties and rails are in poor condition.

West of Montezuma—about 322 miles—the road was built by the Atlanta Company and much higher standards of construction were observed. The main track is laid with 80-pound rail, the buildings and water stations are usually first class, and the bridges are practically all steel or concrete.

The equipment owned and operated is adequate for the requirements of the road except there is a slight deficiency in freight cars. Generally the freight equipment is poorly maintained.

The main shops of the Atlanta Company are located at Fitzgerald, Ga., and consist of 16 brick and steel buildings and a number of smaller frame buildings, equipped with the necessary machinery. Small shops equipped to make running repairs are located at Manchester and Talladega, and there are minor shops at Brunswick, Atlanta, and Birmingham.

The ocean terminals of the Atlanta Company are about one mile from the center of the city of Brunswick. They comprise two piers, a coaling trestle, a dredge basin, four large warehouses, cotton sheds, a power plant, and a fire protection system. The terminals within the city consist of well built brick passenger and freight stations together with a small switching yard, and some old dilapidated brick shop buildings.

PHYSICAL CONDITIONS RELATING TO CONSTRUCTION.

Topography.

Those sections of the road between Brunswick and Sessoms, Ga., and Waycross and Fitzgerald, Ga., are on the flat coastal plain which rises very gradually as the line of road goes westward from the coast. The streams generally have flat gradients and sluggish currents and the adjoining lands are usually low and swampy. Between Fitzgerald and Thomasville, and Fitzgerald and Montezuma, the country is more rolling and the stream valleys and channels are more clearly defined. A broken country with stream valleys of considerable depth lies between Montezuma and the Georgia-Alabama State line, along the foot hills of the Blue Ridge Mountains. From the State line to Bessemer, Ala., the road passes through the Blue Ridge and the main range of the Allegheny Mountains and crosses the general drainage through a rough and rugged country.

Geology.

From Brunswick, extending to the vicinity of Cordele, the soil is a light sandy clay and but little of classified material is found in the grading quantities. From this vicinity to the neighborhood of Manchester the formation consists of sand, marl, limestone, some solid rock, and a considerable amount of material which is classified as loose rock. From Manchester to the vicinity of La Grange the formation is largely of granite and gneiss overlaid with clay soil. Between these latter points and the western termini of the road, Atlanta and Birmingham, the formation consists of sandstone, schists, granite, and gneiss. The soil is largely clay, but a considerable proportion of the grading quantities is solid rock.

Climate.

The rainfall over the entire length of the line varies from 45 to 55 inches per annum. Near the coast the temperature seldom reaches the freezing point, or exceeds 100 degrees Fahrenheit. The average minimum in Atlanta and Birmingham is about 20 degrees above zero, and the maximum seldom above 100 degrees. Neither rainfall nor temperature should seriously affect the progress of construction work.

ECONOMIC CONDITIONS RELATING TO TRAFFIC.

Atlanta, Ga., and Birmingham, Ala., each with a population of 150,000, are the principal cities on the Atlanta Company's lines. The former is the largest supply point for general products in the southeast and is the location of a number of large manufacturing plants and many smaller ones. It is also a large market for horses and mules.

Birmingham is the principal steel and iron manufacturing point south of the Ohio River, and in addition to the iron and steel mills is the location of a number of smaller plants that manufacture a large variety of articles—mainly the products of iron. The Birmingham district produces large quantities of commercial coal, for the handling of which the Atlanta Company is favorably circumstanced due to its rate of grade being lower than that of any road operating between Birmingham and the Atlantic seaboard.

Aside from those mentioned, the principal manufacturing establishments along the line of road are a naval stores manufacturing plant at Brunswick, Ga. (which is also a market for ties and railroad timber); a plant of the Southern Car and Foundry Company and several large sawmills at Waycross, Ga.; a number of small manufacturing plants at Thomasville, Ga.; cotton mills at Moultrie, Tifton and La Grange, Ga.; and a few smaller industries of less importance at other points.

The territory tributary to the Atlanta Company's lines, except that portion between Roanoke and Birmingham, is all adapted to the production of cotton, coal, early vegetables, and fruits. It was formerly densely forested with yellow pine timber which to a great extent has been cut, and there now stands upon much of the land second-growth timber of inferior quality.

About one-third of the total freight traffic in the State of Alabama originates on the line of road. Nearly one-half of the total traffic is bituminous coal and about one-fourth is agricultural and forest products.

In Georgia 40 per cent. of the traffic is from agricultural and forest products and 29 per cent. from mines; about 45 per cent. of this traffic originates on the line of road.

The passenger traffic is practically all local and in the fiscal year 1914 amounted to 30,000,000 passenger miles; the freight traffic amounted to 364,000,000 ton miles.

CORPORATE HISTORY.

The Atlanta Company was incorporated April 19, 1905, under the general laws of the State of Georgia and succeeded several corporations which at one time had independent existencies. April 12, 1906, it purchased and merged with its own property that of the Atlantic & Birmingham Railway Company, which, in turn, had resulted from the consolidation on December 3, 1903, of the Atlantic & Birmingham Railroad Company, the Tifton & Northeastern Railroad Company, and the Tifton, Thomasville & Gulf Railway Company; and the purchase, September 6, 1904, of the Brunswick & Birmingham Railroad Company. The Atlantic & Birmingham Railroad Company, mentioned above, was originally incorporated

as the Waycross Air Line Railroad Company and its name was changed by amendment to its charter.

The Brunswick & Birmingham Railroad Company during its independent existence had purchased the properties of the Offerman & Western Railroad Company and the Ocilla & Irwinville Railroad Company on July 1, 1902, and February 19, 1903, respectively. It had been sold under foreclosure proceedings to Bird M. Robinson, agent for the bondholders, on August 9, 1904, and was acquired by the Atlanta Company as before stated.

The Construction Company in performing its contract to build certain lines, acquired, reconstructed, and turned over to the Atlanta Company, the Eastern Railway of Alabama, an Alabama corporation. All other corporations mentioned above were chartered under the laws of the State of Georgia.

The several corporations were chartered on the dates shown below:

Corporate Name.	Date of Incorporation.
Waycross Air Line Railroad Company	October 27, 1884.
Atlantic & Birmingham Railroad Company (by amendment)	November 27, 1901.
Tifton & Northeastern Railroad Comapny	October 15, 1891.
Tifton, Thomasville & Gulf Railway Company	June 26, 1897.
Atlantic & Birmingham Railway Company	December 3, 1903.
Offerman & Western Railroad Company	June 22, 1899.
Ocilla & Irwinville Railroad Company	October 4, 1900.
Brunswick & Birmingham Railroad Company	December 11, 1900.
Eastern Railway of Alabama	May 1, 1901.
Atlanta, Birmingham & Atlantic Railroad Company	April 19, 1905.

DEVELOPMENT OF FIXED PHYSICAL PROPERTY.

Of the 633.555 miles of road owned at June 30, 1914, 321.835 miles had been constructed by the Atlanta Company, the work having actually been done by the Construction Company under contract with the Atlanta Company; and 311.720 miles had been acquired by merger and purchase from the Atlantic

& Birmingham Railroad Company, which had succeeded the several corporations that, from time to time, actually had built the property. The lines built, original corporate owner, and mileage follow:

Line	Original Corporate Owner	Mileage
Waycross to Montezuma, Ga.	Atlantic & Birmingham R. R. Co.	139.3
Tifton to Fitzgerald, Ga.	Tifton & Northeastern R. R. Co.	24.5
Tifton to Thomasville, Ga.	Tifton, Thomasville & Gulf Ry. Co.	55.5
Offerman to Nicholls, Ga.	Offerman & Western R. R. Co.	35.5
Ocilla to Irwinville, Ga.	Ocilla & Irwinville R. R. Co.	10.0
Brunswick to Offerman, Ga.	Brunswick & Birmingham R. R. Co.	48.7
Montezuma, Ga., to Reeder's Gap, Ala.	Atlanta, Birmingham & Atlantic R. R. Co.	246.4
Manchester to Atlanta, Ga.	Atlanta, Birmingham & Atlantic R. R. Co.	75.7
Total		635.6

Subsequent rearrangement of the tracks slightly reduced the owned mileage.

A survey by the Commission of the lines owned and used by the Atlanta Company at June 30, 1914, shows the following mileage:

Owned by Atlanta Company			633.555
Leased to Ocilla Southern Railroad Company			9.742
Owned and operated by Atlanta Company			623.813
Leased from others:			
Georgia Terminal Company	2.358		
Alabama Terminal Railroad Company	27.045		
Sub-leased to Woodward Iron Company	14.285	12.760	
			15.118
Used under trackage agreements			2.187
Total operated			641.118

The Atlanta Company is privileged to use jointly the facilities of other companies as shown below:

Louisville & Nashville Railroad Company passenger station at Birmingham, Ala.

Atlanta Terminal Company passenger station at Atlanta, Ga.

Atlantic Coast Line Railroad passenger station at Waycross, Ga.

Georgia Southern & Florida Railway Company and Seaboard Air Line Railway passenger station at Cordele, Ga.

and grants to others the joint use of its property as follows:

Main line tracks between Bessemer and Mulga Jct., Ala., Birmingham Southern Railroad Company.

Main line tracks between Kingwood, Ga., and Moultrie, Ga., Georgia & Florida Railway Company.

Connecting tracks at Talladega, Ala., Southern Railway Company.

Connecting tracks at Brunswick, Ga., Georgia Coast & Piedmont Railway Company.

Connecting tracks at Tifton, Ga., Atlantic Coast Line Railroad Company.

Connecting tracks at Tifton, Ga., Georgia Southern & Florida Railway Company.

Connecting tracks and water station at Oglethorpe, Ga., Central of Georgia Railway Company.

It interchanges traffic with 27 railroads at 28 points.

Telegraph and Telephone Lines.

The telegraph property of the Atlanta Company consists of 507.61 miles of pole lines that carry a varying number of wires. This property is leased to the Western Union Telegraph Company, a right to use a portion thereof for railroad purposes being reserved to the lessor.

The local telephone circuits are owned and operated by the Atlanta Company.

HISTORY OF CAPITAL FINANCING.

Syndicating, Banking, and Other Financial Arrangements.

The securities of the Atlanta Company were for the most part issued in exchange for the securities of its predecessors or to the Construction Company in payment for property pur-

chased and construction work done, and therefore but few direct transactions with financial syndicates or banking houses were involved.

The Guaranty Trust Company of New York, on a sale to the Atlanta Company of equipment it had purchased from the Construction Company, realized a profit of $172,000. Commissions of $16,250 had been paid, and expenses and discounts aggregating $144,625.62 had been incurred, in the issuance of receivers' certificates and notes—joint and several liabilities of the Atlanta Company and of the two terminal companies.

The total *outstanding capital liabilities of the Atlanta Company amounted to $54,571,176.14, comprised of capital stock, mortgage bonds, equipment notes and receivers' notes; in addition to which there were outstanding $4,994,000 of receivers' certificates—joint liabilities as above stated, the final apportionment of which is reserved to the court in terminating the receiverships.

The Atlanta Company also lent its credit to the Construction Company by joining in the security on an issue of $8,000,000 of the latter company's collateral trust notes, of which $5,761,000 were outstanding.

Capital Stock.

Of the $25,000,000 of common and $10,000,000 of preferred stock outstanding, $100,000 of common stock had been issued for cash at the time of the organization of the company; $4,923,800 of common and $2,462,000 of preferred stock had been issued in part payment for the property of the Atlantic & Birmingham Railway Company; and $19,976,200 of common and $7,538,000 of preferred stock had been issued to the Construction Company in part payment for the construction of property and for other purposes.

Long Term Debt.

Of the total of $18,533,000 of mortgage bonds outstanding, $4,090,000 of Atlantic & Birmingham Railway Company's first mortgage five per cent. bonds had been assumed in the acquisition of that property, and $14,443,000 of first mortgage

* Where the word "outstanding" is used throughout this chapter, the date of valuation, June 30, 1914, is implied.

five per cent. gold bonds of the Atlanta Company had been given for property and construction work done.

Of equipment notes issued and assumed by the Atlanta Company, $1,028,000 were outstanding. Notes issued by the receivers in part payment for equipment and in payment of an assessment for public improvements amounting to $10,176.14 were also outstanding. Other receivers' certificates and notes had been issued, for which the Atlanta Company and the two terminal companies were jointly and severally liable, of which $4,994,000 were outstanding.

Other Notes.

Short term notes had been issued by the Atlanta Company and by the receivers, of which $92,307.50 and $110,000, respectively, were outstanding.

Certificates of Indebtedness and Advances.

In addition to the foregoing obligations of the Atlanta Company there were due:

To the Construction Company for work done....	$404,269.57
To the joint receivers for work done, payment of other interest, taxes and equipment notes.....	1,264,686.89
To the receivers for additions and betterments made to the Atlanta Company's property.....	1,284,006.44
Total.....	$2,952,962.90

INCREASES AND DECREASES IN STOCKS, BONDS OR OTHER SECURITIES IN ANY REORGANIZATION.

Incident to the consolidation of the Atlantic & Birmingham Railroad Company, Tifton & Northeastern Railroad, and Tifton, Thomasville & Gulf Railway Company, the securities issued by the consolidated company exceeded by $2,940,000 those retired in the consolidation; and the securities issued by the Atlanta Company in the acquisition of the consolidated company exceeded by $2,462,100 those that were at that time retired; so that the passing of these properties from one company to another has resulted in an increase of at least $5,402,100 in securities. No statement can be made with respect to the increase or decrease in securities issued in the acquisition of the

Brunswick & Birmingham Railroad as the amount of that company's securities outstanding at the time of its absorption could not be definitely determined.

AIDS, GIFTS, GRANTS AND DONATIONS.

Certain lands were acquired by the Atlanta Company through aids, gifts, grants of right of way or donations. The present value of the 3,175.008 acres of such lands is $247,875, and their value at the time they were acquired was $47,181.

In addition to the foregoing, $85,060 in money was donated by certain counties and municipalities for the purchase of right of way. As the deeds to such lands conveyed them from their former owners directly to the Atlanta Company, it is not possible to allocate these sums to particular parcels.

Individuals and corporations had contributed about $13,000 in part payment for side tracks built by the Atlanta Company leading to industries along its lines.

RESULTS OF CORPORATE OPERATIONS.

Income and Profit and Loss Account for the Period May 1, 1906, to June 30, 1914.

Railway operating revenues		$20,633,679.25
Railway operating expenses		16,373,483.11
Net revenue from railway operations		$4,260,196.14
Railway tax accruals		942,069.96
Railway operating income		$3,318,126.18
Non-operating income		872,653.95
Gross income		$4,190,780.13
Deductions from gross income:		
Joint facility rents	$139,632.93	
Rents for leased roads	1,539,000.00	
Interest on funded debt	6,855,589.41	
Other deductions	96,034.33	
Total deductions		$8,630,256.67
Balance (loss) to debit of profit and loss account		$4,439,476.54
Sundry profit and loss credit adjustments	$56,886.84	
Sundry losses and debit adjustments	64,105.55	
Net debit to profit and loss account		7,218.71
Net loss at June 30, 1914 (profit and loss debit balance)		$4,446,695.25

No dividends have been paid by the Atlanta Company.

To compensate for its failure to ballast and fully complete the lines built for the Atlanta Company in accordance with its contract, the Construction Company agreed to assume all operating expenses of the Atlanta Company in excess of 70 per cent. of the operating revenues for the period from November 1, 1907, to October 31, 1908. Charges aggregating $575,722.27 were made against the Construction Company on this account and were credited by the Atlanta Company to its operating expenses.

INVESTMENT IN ROAD AND EQUIPMENT.

The investment in road and equipment at June 30, 1914, is shown by the books of the Atlanta Company and of the joint receivers to have been $53,325,751.58. The price shown to have been paid for the property of the Atlantic & Birmingham Railway Company is $2,303,086.04 in excess of the amount, $11,492,520.77, at which that company carried its property, which amount is composed largely of the par value of securities that have been issued in the acquisition of other properties, the actual cost of which cannot be determined. The price shown to have been paid for road constructed and equipped by contract by the Construction Company is $19,264,445.55 in excess of the $16,946,758.89 expended on this account by the Construction Company, which latter amount includes neither contractors' profit nor interest during construction.

Exception is taken to the inclusion in the Atlanta Company's investment account of items aggregating $25,290,710, and to other items the money value of which cannot be accurately determined. A detailed statement of these exceptions is shown in Exhibit A, page 16.

From the records that were available, neither quantities nor costs can be assigned to specific pieces of property.

COST OF REPRODUCTION NEW AND COST OF REPRODUCTION LESS DEPRECIATION.

The cost of reproduction new, and the cost of reproduction less depreciation, of road and equipment, and the present value of lands used for common-carrier purposes, as determined by the Commission, follow. The analyses of these costs, the methods employed in computing them, and the division thereof between the States of Georgia and Alabama, are set forth in detail in the exhibits made a part of this report.

	Cost of Reproduction of Road and Equipment Excluding Lands		Lands	
	New	Less Depreciation	Acres	Present Value
Owned by A., B. & A. R. R. Co.	$22,716,886	$18,071,950	9246.787	$1,091,886
Leased to others:				
Western Union Telegraph Co.	91,315	57,223	.....	.....
Ocilla Southern R. R. Co.	79,439	54,143	101.581	8,175
Southern Ry. Co.	.....	.....	.142	5,493
Total leased to others	$170,754	$111,366	101.723	$13,668
Used by A., B. & A. R. R. Co., owned	$22,546,132	$17,960,584	9145.064	$1,078,218
Used, leased from others:				
Southern Ry. Co.	.....	.....	2.337	3,133
Central of Georgia Ry. Co.	.....	.....	.548	249
Birmingham Southern Ry. Co.	.....	.....	.943	18,914
Georgia Terminal Co.	$903,270	$830,316	102.437	587,584
Alabama Terminal R. R. Co.	705,596	617,910	192.498	603,315
Total leased from others	$1,608,866	$1,448,226	298.763	$1,213,195
Total used by A., B. & A. R. R. Co.	$24,154,998	$19,408,810	9443.827	$2,291,413

IMPROVEMENTS ON LEASED RAILWAY PROPERTY.

The expenditures for additions and betterments to the property of the Alabama Terminal Railroad Company and the Georgia Terminal Company amounted at June 30, 1914, to $134,606.63 and $52,553.55, respectively. No further details of this total of $187,160.18 were available.

MISCELLANEOUS PHYSICAL PROPERTY.

The records of the carrier show it has leased to others rails and other track material upon which it has placed a valuation of $42,632.02, which amount includes the value, $6,574, of rails leased from the Fitzgerald, Ocilla & Broxton Railroad. They also show an expenditure of $243.74 for a dwelling house at Beach, Ga.

The Commission's inventory shows the present value of the 962.541 acres of non-carrier lands owned by the Atlanta Company, including the value of improvements thereon owned by the carrier, to be $145,203.82. The cost of these lands, if included by the carrier in its accounts, is presumably incorporated in "Investment in Road and Equipment."

INVESTMENTS IN OTHER COMPANIES.

At June 30, 1914, the Atlanta Company owned $5000 of stock of the Atlantic Compress Company which was acquired for cash, $3,000,000 of the stock of the Alabama Terminal Railroad Company and $1,500,000 of the stock of the Georgia Terminal Company, the latter two of which were acquired from the Construction Company, the consideration having been its own securities par for par.

OTHER SECURITIES OWNED.

The Atlanta Company carries on its books at par $8600 of its own common stock, $4300 of its preferred stock, and $3500 of its first mortgage bonds, all of which are held in its treasury to replace securities of the Atlantic & Birmingham Railway Company, which the latter company had in its treasury when it was absorbed.

MATERIALS AND SUPPLIES.

Materials and supplies on hand at June 30, 1914, inventoried by the Accounting Department of the Atlanta Company, were valued, at prices furnished by its Purchasing Agent, at $433,502.27.

GEORGIA TERMINAL COMPANY.

The Georgia Terminal Company, hereinafter styled the Georgia Company, owns certain terminal facilities in the City of Atlanta, Ga., that consisted at June 30, 1914, of 2.358 miles of main track, 1.501 miles of second main track, 9.613 miles of yard track and sidings—a total of 13.472 miles of all tracks; together with certain structures, about 200 acres of land, a large warehouse, and about 200 residences. This property is operated by the Atlanta Company under lease, by the terms of which the Atlanta Company agrees to pay to the Georgia Company in addition to the expenses of maintenance, taxes, etc., an amount equivalent to five per cent. on the capital stock and outstanding bonds of the Georgia Company. No such payments have ever been made.

The entire capital stock of the Georgia Company is owned by the Atlanta Company.

Corporate History.

The Gate City Terminal Company was incorporated in the State of Georgia, May 24, 1906. By amendment to its charter March 30, 1907, its name was changed to Georgia Terminal Company. February 15, 1909, the Georgia Company was placed in the hands of the same receivers that were administering the affairs of the Atlanta Company and it has so continued to the date of this valuation.

Development of Fixed Physical Property.

In April, 1905, the Construction Company acquired the capital stock and lands of the Fulton Realty and Improvement Company, and on March 1, 1907, transferred them, together with additional lands subsequently acquired, to the Gate City Terminal Company in exchange for the latter's securities. The Gate City Company contracted for grading, masonry, and other work in connection with the construction of terminals,

yards, tracks, and other facilities and for the furnishing and erection of bridges. The Construction Company and the Atlanta Company did some of this work and furnished some of the materials. It was all done under the supervision of the Georgia Company's chief engineer.

History of Capital Financing.

Of the $1,500,000 of capital stock outstanding, $500,000 had been sold by the Gate City Terminal Company to the Construction Company for cash at par, and $1,000,000 had been issued to the Construction Company in exchange for property. Of the $3,000,000 of first mortgage five per cent. bonds outstanding, $2,089,000 were delivered to the Construction Company in payment for property and $911,000 were sold at 85, realizing $774,350 in cash which was used for construction purposes. Receivers' certificates amounting to $4,994,000 and a note for $110,000 were outstanding, which obligations are joint liabilities of the Georgia Company, the Atlanta Company and the Alabama Terminal Railroad Company, as heretofore stated.

Interest on the funded debt of the Georgia Company from the date of the original issue to June 30, 1914, amounted to $1,080,135.11, of which but $34,816.66 has been paid, leaving $1,045,318.45 unpaid as of June 30, 1914.

Investment in Road.

The investment in road at June 30, 1914 (including certain minor bookkeeping adjustments), is shown by the books of the Georgia Company and of the joint receivers to have been $4,870,081.86, which amount exceeds by $2,027,616.10 the actual cost to the Construction Company of the stock and lands of the Fulton Realty Company, together with the cash realized from the sale of bonds. These expenditures cannot be allocated to structures, particular units or pieces of property.

Cost of Reproduction New and Cost of Reproduction Less Depreciation.

The cost of reproduction new and the cost of reproduction less depreciation of road, and the present value of 102.747

acres of lands used for common-carrier purposes, as determined by the Commission, follow:

Road, excluding lands:	
Cost of reproduction new	$903,270
Cost of reproduction less depreciation	830,316
Lands:	
Present value	604,459

Of the above-mentioned lands, the Atlanta Company sub-leases to the Southern Railway Company, .31 of an acre, the present value of which is $16,875.

The Georgia Company owns 85.193 acres of non-carrier lands the present value of which, including the value of improvements thereon, owned by the carrier, is $853,811. It owns no equipment, nor has it received any aids, gifts, grants or donations.

ALABAMA TERMINAL RAILROAD COMPANY.

The Alabama Terminal Railroad Company, hereinafter styled the Alabama Company, owns certain terminal facilities in and near the City of Birmingham, Ala., that consisted at June 30, 1914, of 27.045 miles of main track, and 16.969 miles of yard track and sidings—a total of 44.014 miles of all track; together with freight houses, water stations and telegraph and telephone lines. This property is operated by the Atlanta Company under lease, by the terms of which the Atlanta Company agrees to pay to the Georgia Company an amount equivalent to five per cent. on the capital stock and outstanding bonds of the Georgia Company. No such payments have been made.

The entire capital stock of the Georgia Company is owned by the Atlanta Company.

CORPORATE HISTORY.

The Alabama Company was incorporated March 23, 1907, under the general laws of the State of Alabama. February 15, 1909, it was placed in the hands of the same receivers that were administering the affairs of the Atlanta Company and it has so continued to the date of this valuation.

DEVELOPMENT OF FIXED PHYSICAL PROPERTY.

The Construction Company has secured certain franchises in the name of the Alabama Company, had made preliminary surveys, had acquired some land for right of way and station grounds, and had done some construction work—all prior to July 15, 1907. On that date all property, agreements, privileges, franchises, etc., theretofore acquired, and a certain sum of money, were transferred to the Alabama Company. The work of construction had not been completed when the receivers were appointed. It was completed by them and the property was turned over for operation July 1, 1910.

HISTORY OF CAPITAL FINANCING.

Of the $3,000,000 of capital stock outstanding, $2,000 had been issued for cash at par at the time of organization, and $2,998,000, together with certain bonds mentioned hereafter, were issued to the Construction Company for property, lands, franchises, etc., and $350,000 in cash. Of the $2,445,000 of first mortgage five per cent. bonds outstanding, $1,200,000 had been issued to the Construction Company in connection with the stock heretofore mentioned and $1,245,000 were subsequently sold to the Construction Company at 85, realizing $1,058,250 in cash. Receivers' certificates, amounting to $4,994,000, and a note for $110,000 were outstanding, which obligations are joint liabilities of the Georgia Company, the Atlanta Company and the Alabama Company, as heretofore stated.

Interest on the bonds of the Alabama Company from date of original issue to June 30, 1914, amounted to $824,789.54, of which but $91,239.54 has been paid, leaving $733,500 unpaid as of June 30, 1914.

INVESTMENT IN ROAD.

The investment in road at June 30, 1914, is shown by the books of the Alabama Company and of the joint receivers to have been $6,681,360.77, which amount exceeds by $3,488,902.22 the actual cost to the Construction Company of property, franchises, etc., acquired by the Alabama Company, together with the cash realized from the sale of bonds. These expenditures cannot be allocated to structures, particular units or pieces of property.

COST OF REPRODUCTION NEW AND COST OF REPRODUCTION LESS DEPRECIATION.

The cost of reproduction new and the cost of reproduction less depreciation of road, and the present value of 453.561 acres of lands used for common-carrier purposes, as determined by the Commission, follows:

Road, excluding lands:	
Cost of reproduction new	$1,493,985
Cost of reproduction less depreciation	1,367,411
Lands:	
Present value	661,331

Of the above-mentioned property the Atlanta Company subleases to the Woodward Iron Company (understood not to be a common carrier), road—excluding lands—the cost of reproduction new of which is $788,389, and the cost of reproduction less depreciation, of which is $749,501; and 261.063 acres of lands, the present value of which is $58,016.

The Alabama Company owns 128.956 acres of non-carrier lands, the present value of which, including the value of improvements thereon owned by the carrier, is $166,438. It owns no equipment, nor has it received any aids, gifts, grants, or donations.

ORIGINAL COST OF LANDS.

As determined from the records of the Alabama Company, the joint receivers thereof, and the Atlantic & Birmingham Construction Company, the original cost of the lands of the Alabama Terminal Railroad Company is as follows:

Owned or used for the purposes of a common carrier	$1,328,288
Held for purposes other than those of a common carrier	4,255
Total	$1,332,543

The classification of carrier and non-carrier lands as shown above, is, with slight modification, that of the carrier. It differs from that of the Commission's land appraisers, and for this reason the only comparison that properly can be made is the total original cost of carrier and non-carrier lands as above stated, with the total present value of such lands.

ALABAMA TERMINAL RAILROAD COMPANY

INTERSTATE COMMERCE COMMISSION.
WASHINGTON.

October 19, 1916.

HON. THOMAS WATT GREGORY,
Attorney General,
Department of Justice,
Washington, D. C.
HON. CHARLES HENDERSON,
Governor of the State of Alabama,
Montgomery, Ala.
PUBLIC SERVICE COMMISSION OF ALABAMA,
Montgomery, Ala.
ALABAMA TERMINAL RAILROAD COMPANY,
Care of Atlanta, Birmingham & Atlantic Railroad Company,
Atlanta, Georgia.
E. T. LAMB, Receiver for
Alabama Terminal Railroad Company,
Care of Atlanta, Birmingham & Atlantic Railroad Company,
Atlanta, Ga.

You are hereby notified that the Interstate Commerce Commission has completed, under the Act of March 1, 1913, a tentative valuation of the Alabama Terminal Railroad Company, and that the valuation placed upon the property of that carrier, all of which is located in the State of Alabama, as of June 30, 1914, is as follows:

COMMON CARRIER PROPERTY.

Leased to the Atlanta, Birmingham & Atlantic Railroad Company:

Road, excluding lands:	
Cost of reproduction new	$1,493,985
Cost of reproduction less depreciation	1,367,411
Lands, present value	661,331

Of the above-mentioned property the Atlanta, Birmingham & Atlantic Railroad Company sub-leases to the Woodward Iron Company (understood not to be a common carrier):

Road, excluding lands: .	
Cost of reproduction new	$788,389
Cost of reproduction less depreciation	749,501
Lands, present value	58,016

NON-CARRIER LANDS.

Present value, including value of improvements thereon	$166,438

ORIGINAL COST.

Original cost of road could not be found.

The company owns no equipment.

Original cost of lands, as determined from the records of the Alabama Terminal Railroad Company, the joint receivers thereof, and the Atlantic & Birmingham Construction Company, follows:

Owned or used for the purposes of a common carrier	$1,328,288
Held for purposes other than those of a common carrier	4,255
Total	$1,332,543

The figures representing original cost of land are as classified by the carrier, which classification differs from that of the land appraisers. The only comparison that can be made is the total present value of carrier and non-carrier lands, with the total of the original cost as stated.

OTHER VALUES AND ELEMENTS OF VALUE.

None were found to exist.

AIDS, GIFTS, GRANTS OF RIGHT OF WAY OR DONATIONS.

None were found to exist.

Summary sheets showing reproduction values by primary accounts are hereto attached.

The tentative report is served as a part of this notice. The detailed engineering, accounting, and land reports have already

been furnished to the Atlanta, Birmingham & Atlantic Railroad Company, lessee, and the Public Service Commission of Alabama, and are on file in the office of the Commission in Washington, subject to examination by any interested party.

You are required to file with the Commission, at its office in Washington, within thirty days from the 1st day of November, 1916, any protest which you may desire to make to said valuation or any part thereof. You will file in connection with such protest a specification setting forth in detail the particular things against which said protest is directed.

By the Commission.

Secretary.

ALABAMA TERMINAL RAILROAD COMPANY.

LOCATED IN ALABAMA.

SUMMARY SHEET.

Property Owned and Leased to Atlanta, Birmingham & Atlantic Railroad Company.

R.&E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$30,297	$30,297
3	Grading	147,353	147,032
6	Bridges, trestles and culverts	174,612	163,153
8	Ties	43,891	25,208
9	Rails	83,068	77,516
10	Other track material	29,977	23,040
11	Ballast	22,767	16,786
12	Track-laying and surfacing	38,335	30,431
13	Right-of-way fences	4,546	2,322
15	Crossings and signs	4,194	2,700
16	Station and office buildings	29,470	22,048
17	Roadway buildings	18,915	10,879
18	Water stations	3,574	2,495
20	Shops and enginehouses	2,973	1,596
26	Telegraph and telephone lines	29	21
44	Shop machinery	2,245	1,358
	Total	$636,246	$556,882
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$636	$560
72	General officers and clerks	3,817	3,359
73	Law	1,909	1,680
74	Stationery and printing	636	559
75	Taxes	3,181	2,799
76	Interest during construction	56,626	49,831
77	Other expenditures—General	2,545	2,240
	Total	$69,350	$61,028
	Grand total	$705,596	$617,910

ALABAMA TERMINAL RAILROAD COMPANY.

LOCATED IN ALABAMA.

SUMMARY SHEET.

Property Owned and Leased to Woodward Iron Company (not a common carrier).

R.&E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$33,852	$33,852
3	Grading	447,042	447,039
6	Bridges, trestles and culverts	75,062	70,480
8	Ties	30,238	16,907
9	Rails	67,286	63,435
10	Other track material	18,377	14,522
11	Ballast	12,190	8,991
12	Track-laying and surfacing	22,403	18,146
13	Right-of-way fences	99	50
15	Crossings and signs	1,856	962
26	Telegraph and telephone lines	2,496	1,503
	Total	$710,901	$675,887
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$711	$675
72	General officers and clerks	4,265	4,052
73	Law	2,133	2,026
74	Stationery and printing	711	675
75	Taxes	3,554	3,376
76	Interest during construction	63,270	60,107
77	Other expenditures—General	2,844	2,703
	Total	$77,488	$73,614
	Grand total	$788,389	$749,501

TENTATIVE REPORT.

ALABAMA TERMINAL RAILROAD COMPANY.

The Alabama Terminal Railroad Company, hereinafter styled the Alabama Company, owns certain terminal facilities in and near the City of Birmingham, Ala., that consisted at June 30, 1914, of 27.045 miles of main track and 16.969 miles of yard track and sidings—a total of 44.014 miles of all track; together with freight houses, water stations and telegraph and telephone lines. This property is operated by the Atlanta Company under lease, by the terms of which the Atlanta Company agrees to pay to the Georgia Company an amount equivalent to 5 per cent on the capital stock and outstanding bonds of the Georgia Company. No such payments have been made.

The entire capital stock of the Georgia Company is owned by the Atlanta Company.

CORPORATE HISTORY.

The Alabama Company was incorporated March 23, 1907, under the general laws of the State of Alabama. February 15, 1909, it was placed in the hands of the same receivers that were administering the affairs of the Atlanta Company and it has so continued to the date of this valuation.

DEVELOPMENT OF FIXED PHYSICAL PROPERTY.

The Construction Company has secured certain franchises in the name of the Alabama Company, had made preliminary surveys, had acquired some land for right of way and station grounds, and had done some construction work—all prior to July 15, 1907. On that date all property, agreements, privileges, franchises, etc., theretofore acquired, and a certain sum of money, were transferred to the Alabama Company. The work of construction had not been completed when the receivers were appointed. It was completed by them and the property was turned over for operation July 1, 1910.

HISTORY OF CAPITAL FINANCING.

Of the $3,000,000 of capital stock outstanding, $2,000 had been issued for cash at par at the time of organization and $2,998,000 together with certain bonds mentioned hereafter

were issued to the Construction Company for property, lands, franchises, etc., and $350,000 in cash. Of the $2,445,000 of first mortgage 5 per cent. bonds outstanding $1,200,000 had been issued to the Construction Company in connection with the stock heretofore mentioned and $1,245,000 were subsequently sold to the Construction Company at 85, realizing $1,058,250 in cash. Receivers' certificates, amounting to $4,994,000, and a note for $110,000 were outstanding, which obligations are joint liabilities of the Georgia Company, the Atlanta Company, and the Alabama Company, as heretofore stated.

Interest on the bonds of the Alabama Company from date of original issue to June 30, 1914, amounted to $824,789.54, of which but $91,289.54 has been paid, leaving $733,500 unpaid as of June 30, 1914.

INVESTMENT IN ROAD.

The investment in road at June 30, 1914, is shown by the books of the Alabama Company and of the joint receivers to have been $6,681,360.77, which amount exceeds by $3,488,902.22 the actual cost to the Construction Company of property, franchises, etc., acquired by the Alabama Company, together with the cash realized from the sale of bonds. These expenditures cannot be allocated to structures, particular units or pieces of property.

COST OF REPRODUCTION NEW AND COST OF REPRODUCTION LESS DEPRECIATION.

The cost of reproduction new and the cost of reproduction less depreciation of road, and the present value of 453.561 acres of lands used for common-carrier purposes, as determined by the Commission, follow:

Road, excluding lands:	
Cost of reproduction new	$1,493,985
Cost of reproduction less depreciation	1,367,411
Lands:	
Present value	661,331

Of the above-mentioned property the Atlanta Company sub-leases to the Woodward Iron Company (understood not

to be a common carrier), road—excluding lands—the cost of reproduction new of which is $788,389, and the cost of reproduction less depreciation of which is $749,501; and 261.063 acres of lands, the present value of which is $58,016.

The Alabama Company owns 128.956 acres of non-carrier lands, the present value of which, including the value of improvements thereon owned by the carrier, is $166,438. It owns no equipment, nor has it received any aids, gifts, grants, or donations.

ORIGINAL COST OF LANDS.

As determined from the records of the Alabama Company, the joint receivers thereof, and the Atlantic & Birmingham Construction Company, the original cost of the lands of the Alabama Terminal Railroad Company is as follows:

Owned or used for the purposes of a common carrier	$1,328,288
Held for purposes other than those of a common carrier	4,255
Total	$1,332,543

The classification of carrier and non-carrier lands as shown above is, with slight modification, that of the carrier. It differs from that of the Commission's land appraisers, and for this reason the only comparison that properly can be made is the total original cost of carrier and non-carrier lands as above stated, with the total present value of such lands.

GEORGIA TERMINAL COMPANY

INTERSTATE COMMERCE COMMISSION.

WASHINGTON.

October 19, 1916.

To—

HON. THOMAS WATT GREGORY,
Attorney General,
Department of Justice,
Washington, D. C.

HON. M. E. HARRIS,
Governor of the State of Georgia,
Atlanta, Ga.

RAILROAD COMMISSION OF GEORGIA,
Atlanta, Ga.

GEORGIA TERMINAL COMPANY,
Care of Atlanta, Birmingham & Atlantic Railroad Company,
Atlanta, Ga.

E. T. LAMB, Receiver for the
Georgia Terminal Company, care
Atlanta, Birmingham & Atlantic Railroad Company,
Atlanta, Ga.

You are hereby notified that the Interstate Commerce Commission has completed, under the Act of March 1, 1913, a tentative valuation of the Georgia Terminal Company, and that the valuation placed upon the property of that carrier, all of which is located in the State of Georgia, as of June 30, 1914, is as follows:

COMMON CARRIER PROPERTY.

Leased to the Atlanta, Birmingham & Atlantic Railroad Company:

Road, excluding lands:	
Cost of reproduction new	$903,270
Cost of reproduction less depreciation	830,316
Lands, present value	$604,459

Of the above mentioned lands, the Atlanta, Birmingham & Atlantic Railroad Company sub-leases to the Southern Railway Company a parcel the present value of which is $16,875.

NON-CARRIER LANDS.

Present value, including value of improvements thereon..$853,811

The company owns no equipment.

Original cost of property could not be found.

No other values or elements of value were found to exist.

No aids, gifts, grants of right-of-way, or donations were found.

Summary sheets showing Reproduction values by primary accounts are hereto attached.

The tentative report is served as a part of this notice.

The detailed engineering, accounting and land reports have already been furnished to the Atlanta, Birmingham & Atlantic Railroad Company, Lessee, and the Railroad Commission of Georgia, and are on file in the office of the Commission in Washington, subject to examination by any interested party.

You are required to file with the Commission, at its office in Washington, within thirty days from the first day of November, 1916, any protest which you may desire to make to said valuation or any part thereof. You will file in connection with such protest a specification setting forth in detail the particular things against which said protest is directed.

By the Commission:

Secretary.

GEORGIA TERMINAL COMPANY.

LOCATED IN GEORGIA.

SUMMARY SHEET.

Property owned and leased to Atlanta, Birmingham & Atlantic Railroad Company.

R.&E. Acct. No.	Classes	Cost of Reproduction of Road and Equipment	
		New	Less Depreciation
	I. ROAD.		
1	Engineering	$39,236	$39,236
3	Grading	365,734	363,185
6	Bridges, trestles and culverts	230,763	210,895
8	Ties	24,311	14,282
9	Rails	50,369	47,554
10	Other track material	20,495	15,376
11	Ballast	13,166	7,015
12	Track-laying and surfacing	14,304	11,157
13	Right-of-way fences	215	107
15	Crossings and signs	22,538	21,322
16	Station and office buildings	29,687	18,655
20	Shops and enginehouses	7,711	4,265
26	Telegraph and telephone lines	488	312
27	Signals and interlockers	2,351	2,163
32	Power distribution systems	166	97
44	Shop machinery	2,429	1,733
	Total	$823,963	$757,354
	III. GENERAL EXPENDITURES.		
71	Organization expenses	$824	$758
72	General officers and clerks	4,944	4,549
73	Law	2,472	2,274
74	Stationery and printing	824	758
75	Taxes	4,120	3,790
76	Interest during construction	62,827	57,801
77	Other expenditures—General	3,296	3,032
	Total	$79,307	$72,962
	Grand total	$903,270	$830,316

TENTATIVE REPORT.
GEORGIA TERMINAL COMPANY.

The Georgia Terminal Company, hereinafter styled the Georgia Company, owns certain terminal facilities in the City of Atlanta, Ga., that consisted at June 30, 1914, of 2.358 miles of main track, 1.501 miles of second main track, 9.613 miles of yard track and sidings—a total of 13.472 miles of all tracks; together with certain structures, about 200 acres of land, a large warehouse and about 200 residences. This property is operated by the Atlanta Company under lease, by the terms of which the Atlanta Company agrees to pay to the Georgia Company in addition to the expenses of maintenance, taxes, etc., an amount equivalent to five per cent. on the capital stock and outstanding bonds of the Georgia Company. No such payments have ever been made.

The entire capital stock of the Georgia Company is owned by the Atlanta Company.

CORPORATE HISTORY.

The Gate City Terminal Company was incorporated in the State of Georgia, May 24, 1906. By amendment to its charter March 30, 1907, its name was changed to Georgia Terminal Company. February 15, 1909, the Georgia Company was placed in the hands of the same receivers that were administering the affairs of the Atlanta Company and it has so continued to the date of this valuation.

DEVELOPMENT OF FIXED PHYSICAL PROPERTY.

In April, 1905, the Construction Company acquired the capital stock and lands of the Fulton Realty and Improvement Company, and on March 1, 1907, transferred them, together with additional lands subsequently acquired, to the Gate City Terminal Company in exchange for the latter's securities. The Gate City Company contracted for grading, masonry and other work in connection with the construction of terminals, yards, tracks and other facilities, and for the furnishing and erection of bridges. The Construction Company and the Atlanta Company did some of this work and furnished some of the materials. It was all done under the supervision of the Georgia Company's chief engineer.

HISTORY OF CAPITAL FINANCING.

Of the $1,500,000 of capital stock outstanding, $500,000 had been sold by the Gate City Terminal Company to the Construction Company for cash at par, and $1,000,000 had been issued to the Construction Company in exchange for property. Of the $3,000,000 of first mortgage five per cent. bonds outstanding $2,089,000 were delivered to the Construction Company in payment for property and $911,000 were sold at 85, realizing $774,350 in cash which was used for construction purposes. Receivers' certificates amounting to $4,994,000 and a note for $110,000 were outstanding, which obligations are joint liabilities of the Georgia Company, the Atlanta Company and the Alabama Terminal Railroad Company, as heretofore stated.

Interest on the funded debt of the Georgia Company from the date of the original issue to June 30, 1914, amounted to $1,080,135.11, of which but $34,816.66 has been paid, leaving $1,045,318.45 unpaid as of June 30, 1914.

Investment in Road.

The investment in road at June 30, 1914, including certain minor bookkeeping adjustments, is shown by the books of the Georgia Company and of the joint receivers to have been $4,870,081.86, which amount exceeds by $2,027,616.10 the actual cost to the Construction Company of the stock and lands of the Fulton Realty Company, together with the cash realized from the sale of bonds. These expenditures cannot be allocated to structures, particular units or pieces of property.

Cost of Reproduction New and Cost of Reproduction Less Depreciation.

The cost of reproduction new and the cost of reproduction less depreciation of road, and the present value of 102.747

acres of lands used for common carrier purposes, as determined by the Commission, follows:

Road, excluding lands:	
Cost of reproduction new	$903,270
Cost of reproduction less depreciation	830,316
Lands:	
Present value	$604,459

Of the above-mentioned lands, the Atlanta Company subleases to the Southern Railway Company, .31 of an acre, the present value of which is $16,875.

The Georgia Company owns 85.193 acres of non-carrier lands, the present value of which, including the value of improvements thereon, owned by the carrier, is $853,811. It owns no equipment, nor has it received any aids, gifts, grants or donations.

WESTERN UNION TELEGRAPH COMPANY

INTERSTATE COMMERCE COMMISSION
WASHINGTON

October 19, 1916.

WESTERN UNION TELEGRAPH COMPANY,
New York, N. Y.

You are hereby notified that the Interstate Commerce Commission has completed, under the Act of March 1, 1913, a tentative valuation of the Atlanta, Birmingham & Atlantic Railroad Company, and that the valuation placed upon the telegraph property owned by that carrier in the States of Georgia and Alabama, but leased to and used by your Company, is, as of June 30, 1914, as follows:

Cost of reproduction new	$91,315
Cost of reproduction less depreciation	57,223

A detailed inventory of this property, in the making of which your Company participated, will be found in the engineering report upon the Atlanta, Birmingham & Atlantic, a copy of which has been filed with that carrier. A copy of said engineering report is also on file at the office of the Commission, subject to your inspection.

You are hereby required to file with the Commission, at its office in Washington, within thirty days from the first day of November, 1916, any protest which you may desire to make to such valuation or any part thereof. You will file in connection with such protest a specification setting forth in detail the particular things against which said protest is directed.

By the Commission.

Secretary.

MSH 21399

END OF
TITLE